



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 772

Behavioral Health Rate Methodology Modernization - Establishment

Chair Bagnall, Vice Chair Cullison, and esteemed members of the House Health Committee. Thank you for the opportunity to provide testimony in support of HB 772. House Bill 772 focuses on establishing a Workgroup on Behavioral Health Rate Methodology Modernization in Maryland. This bill aims to develop transparent, cost-based reimbursement methodologies for certified community behavioral health clinics and outpatient mental health centers.

Maryland's behavioral health system is under significant strain, driven by increased demand, workforce shortages, and chronic underinvestment in community-based providers. While certified community behavioral health clinics (CCBHCs) and outpatient mental health centers (OMHCs) are expected to deliver comprehensive, high-quality services, current reimbursement rates often do not reflect the full cost and extent of care. This severe disconnect threatens provider sustainability and limits access for individuals who rely heavily on these services.

HB 772 takes a critical and responsible step toward addressing this challenge by establishing the Workgroup on Behavioral Health Rate Methodology Modernization within the Maryland Health Care Commission. By focusing on transparent, cost-based reimbursement methodologies, the workgroup will help ensure that behavioral health funding aligns with service delivery realities and supports long-term system stability in the behavioral health sector.

Importantly, this legislation prioritizes thoughtful analysis over rushed solutions. Convening a diverse group of stakeholders allows Maryland to assess existing rate-setting practices, identify gaps, and develop evidence-based recommendations that support access, quality, and workforce retention. The requirement that the workgroup report its findings to the Governor and General Assembly by October 1, 2027, further ensures accountability and legislative oversight allowing further access to mental health care within communities in Maryland.

Modernizing behavioral health rate methodologies is paramount to strengthening Maryland's continuum of care. Without sustainable reimbursement, providers are forced to reduce services, limit enrollment, or close altogether. These outcomes often disproportionately

affect underserved and high-need communities like those living in poverty and communities of color.

This step is crucial to ensure reimbursement rates reflect the true cost of care as mental health care needs continue to grow statewide. Maryland is facing workforce shortages, rising demand, and ongoing access gaps, particularly for Medicaid recipients, rural communities, and other underserved populations. Outdated payment structures often fail to keep pace with inflation, and the complexity of behavioral health services. This workgroup is a step toward building a more sustainable system that better supports the Marylanders who rely heavily on this care.

For these reasons, I urge the House Health Committee to issue a favorable report on HB 275. Thank you so much for your leadership and for your continued commitment to improving behavioral health and mental health care across the state of Maryland.